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1. References are made to previous verbal discussions concerning Subject, his approach to this Agency, and the five meetings with him, held on 30 September and 3, 5, 10, and 13 October 1955.
2. The information contained herein represents a summary of the statements made by Subject in the course of the five meetings listed above, as well as the observations of the Agency's representative.
3. Late in July 1955, William GOLDBERG, who is an officer of the City Center Aviation Supply Company, 508 Arch Street, Philadelphia, Pennsylvania, office telephone Walnut 2-4216, home telephone Trinity 7-4318, called on Subject. At that time Subject was in the market for aviation parts for the World War II P-51 type planes, some of which are used by the Nicaraguan Air Force. GOLDBERG knew of a forthcoming auction of P-51 parts that was to be held in Middletown, Pennsylvania. While he was in Subject's office, GOLDBERG noticed a copy of the brochure that Subject had prepared to publicize the National Travel Show, which led to his asking Subject about his part in the show. In the course of their conversation it developed that GOLDBERG has sold aviation supplies to Yugoslavia for several years and that as a result of these activities he received an invitation to visit Yugoslavia as a guest of the Yugoslav Government. At the time GOLDBERG visited Subject he had allegedly just returned from his visit to Yugoslavia. While in Yugoslavia GOLDBERG saw a good deal of one Peter MIHAIDINEC, a former Yugoslav Assistant Military Attache in Washington, now Chief of the Foreign Division of Putnik, Dragoslava Jovanovica 1, Belgrade, Yugoslavia, a Yugoslav travel and tourist agency. MIHAIDINEC informed GOLDBERG that he was about to return to the United States for the purpose of opening a Putnik travel agency in New York City. MIHAIDINEC made it clear to GOLDBERG that he was operating on a small budget and offered GOLDBERG a part interest in the venture. GOLDBERG indicated that he and MIHAIDINEC talked about this in detail, but that they did not reach a final understanding. However, shortly after GOLDBERG returned to America he received by mail an agreement drawn up by Putnik, specifying the details of this possible collaboration.

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4. This agreement, a photo-copy of which is attached, spells out the commitments of both Putnik and GOLDBERG. In it GOLDBERG is promised a commission of 5 per cent in U.S. dollars of all the U.S. and Canadian business handled by the New York City office of Putnik during the period of one year, in exchange for which GOLDBERG is to rent and fully equip a travel office in a convenient location in New York City. GOLDBERG is to pay the rent for one year, supply the necessary furniture and a telephone, and, in addition, pay a monthly salary of \$400 to a representative of Putnik, sent by them to New York for the purpose of operating said travel office. This agreement, valid for one year, does not give GOLDBERG any voice in the management of the travel agency. An interesting aspect of this "contract" is that it is purportedly signed by the director of Putnik. The signature, though illegible, bears a striking resemblance to the signature of MIRALDINEC as it appears on his application for an entry visa to the United States, as submitted to the United States Consulate in Belgrade in the summer of 1955, even to the eyes of one who is not a technical expert in the field of handwriting. Yet, in his visa application and in talking to GOLDBERG and later to Subject, MIRALDINEC stated that he is the Chief of the Foreign Division of Putnik, and never implied that he is the Director of Putnik.

5. GOLDBERG pointed out to Subject that he was not particularly interested in entering into any travel arrangement with Putnik, but, at the same time, he does not want to offend the Yugoslavs, since he has been doing business with them for several years and wishes to continue the association. On the other hand, he said that this travel association might be a lucrative undertaking and that it would offer him a chance to make purely business contacts with American businessmen interested in engaging in commercial dealings with Yugoslavia. Inasmuch as Subject has interests and connections in the travel field, GOLDBERG suggested to him that the two of them could jointly underwrite the agreement as proposed by Putnik. Subject was interested but wished to be assured that there would be no objection on the part of Putnik to his association with GOLDBERG. He therefore spoke to MIRALDINEC by telephone and was assured that such an arrangement was acceptable to Putnik. (MIRALDINEC had arrived in the United States prior to the time that GOLDBERG first contacted Subject and was reportedly anxious to establish the travel agency as soon as practicable.)

6. At this point Subject said he realized that Putnik is an official agency of the Yugoslav Government and that any American associated with it in the United States would have to register with the Department of Justice as a representative of a foreign government.

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Inasmuch as Yugoslavia is a Communist country, Subject feared that being associated in a business venture with Yugoslavia might not be in his best interests. He therefore asked the advice of Jack Northrup ANDERSON, who shares his suite of offices in Washington and who, Subject says, is a Washington representative of Parade magazine and a log-man for Drew PEARSON. ANDERSON urged Subject to ask this Agency for guidance. To this end ANDERSON arranged for Subject to contact a member of this Agency and present his problem. As a result of this meeting, Subject was seen again by another representative of this Agency to whom Subject said he would explore the Putnik offer in greater detail before committing himself and at the same time keep this Agency informed of the developments.

7. Subject contacted MIHAIDINEC on three different occasions, the first time in New York City on 4 October, the second and third times in Washington on 11 October. Subject also spoke to MIHAIDINEC a number of times between these meetings by telephone. In addition to seeing MIHAIDINEC, Subject also met and spoke with Scepan MATIJASEVIC, Director of the Yugoslav State Tourist Office, 24 State Street, New York 4, N.Y., telephone RANover 2-5380, and with Vojislav JOPOVIC, associated with MATIJASEVIC in the Yugoslav State Tourist Office. According to Subject, the gist of these meetings and the various telephone conversations is as follows:

a. In attempting to ascertain just what MIHAIDINEC had in mind in the way of a travel agency and how Subject could benefit from his association with said agency, Subject learned that MIHAIDINEC evidently has a time limit in which to set up the travel agency and show a degree of success in its operation in order to receive an increase in his operating budget in 1956. It would appear that MIHAIDINEC is operating on a very small budget and is eager to find some financial backing at least until he can make a success of his venture. When Subject questioned the need for a travel agency operated by Putnik, since an official Yugoslav State Tourist Office is already well established in New York, he was informed that Putnik is a private company (sic),* primarily interested in selling the services of a travel agency,

*Subject stated that MIHAIDINEC told him that Putnik is a private company and that MATIJASEVIC added that it was similar to the Italian C.I.T. travel agency. Subject added that he personally believes it to be a government concern, but that he did not pursue the subject with MIHAIDINEC and MATIJASEVIC.

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whereas the official Yugoslav Government Tourist Office is in fact an information office and not engaged in the travel business. Therefore, both these offices are interested in establishing the Putnik travel agency as soon as possible, and they both have been discussing this problem with Subject and GORDON.

b. Subject at first thought that the whole deal was something planned by MIHAILIJEVIC for the purpose of obtaining money for his own personal use without the knowledge of his home office. After speaking to both MIHAILIJEVIC and MATIJEVIC, Subject concluded that no dishonesty was intended and that the two men were sincere, if rather naive, regarding the travel business. After going into the various ramifications of the proposed joint undertaking, Subject concluded that he did not desire to get involved in supporting the new agency as proposed by MIHAILIJEVIC, but he did think that Yugoslavia should launch a public relations campaign in the United States, built around the opening of a travel agency. Subject therefore decided to recommend to the Yugoslavs that he, or some other public relations expert, be hired to publicize Yugoslavia's tourist attractions to the Americans. This, he felt, could best be done by opening a travel agency on New York's Fifth Avenue with a cocktail party and a blaze of publicity, with invitations sent to the Chief of the Yugoslav Desk at the State Department, the Mayor of New York, travel and press representatives, and others. The travel agency would be staffed to handle publicity releases, answer questions, and in general handle any aspects of travel that would be forthcoming. He also recommended that MIHAILIJEVIC travel throughout the United States and Canada for the purpose of making contacts with the Yugoslav colonies in both countries. Subject said that Yugoslavia would soon reap a tenfold benefit from its investment, with the New York offices of Putnik and the Yugoslav State Tourist Office coming in for a much larger budget than they are receiving now or are about to receive in the near future.

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Subject said that MUKAJIDZIC, MATLJASNYIC and POTOCNIE (the last named acting as the spokesman for the three during their last meeting with Subject), agreed fully with him but pointed out that any undertaking of this type was beyond their field of interest, as they had neither the means nor the authority to engage in such a campaign. But as Subject did not wish to enter into any other collaboration with them, they agreed to make it possible for him to meet with Yugoslav Ambassador Ivo MATES and outline his ideas for a public relations campaign. Subject is convinced that he will be able to convince Ambassador MATES of the soundness of his proposition and that MATES will then sponsor him in Belgrade, making it possible for Subject to obtain the backing of the Yugoslav Government as well for this plan.

8. Subject made it clear that he did not have the money with which to undertake even the sort of business arrangement MUKAJIDZIC had originally proposed and that he initially contacted this Agency for the purpose of obtaining financial backing in exchange for any information that he might be able to obtain through the travel agency. Later, as he discussed the problem with the Yugoslavs and with his contacts in the National Association of Travel Organizations, he decided that, unless he could convince the Yugoslavs that they should engage in publicizing Yugoslavia through a public relations campaign, he would drop the matter completely. At first he said that it might perhaps be necessary for him to underwrite the proposed publicity campaign for the first six months in order to convince the Yugoslavs of the value of such a campaign. He felt sure that after such a six months trial period the Yugoslavs would be convinced of the value of his scheme and would not only take over from that point, but would repay him for his expenses. Again, as he does not have the capital that would be required, he wished to know if this Agency would be willing to underwrite the expenses in return for any information that could be obtained through the travel office. In addition, Subject promised to return said investment, which he thinks would run to \$15,000 to \$20,000, as soon as the Yugoslavs repaid him. He also made it clear that he would be willing to step aside and let this Agency assign the job to someone else of its choosing if it was felt that this would be the best way to handle the matter. In the end Subject said he was convinced that he really would not be called upon to underwrite any of the expenses, but he wished to know what he could expect, just in case he did need some money.

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9. Subject was informed that inasmuch as his plans call for him to publicize a foreign government in the United States, this Agency would neither give him financial assistance nor influence in any way his personal decision in the matter. Subject stated that he understood this Agency's position. He raised the question of being briefed regarding what he should look for, should he be invited to Yugoslavia by the Yugoslav Government in connection with the proposed publicity campaign. He was informed that his question was not pertinent as there really was no way of knowing if such an invitation would ever be forthcoming.

10. Subject's office is 1224 Wyatt Building, 777 14th Street, N.W., Washington, telephone DIstrict 7-3400. This is a suite consisting of a good size ante-room and two small offices. Subject shares these offices with James J. FARRIS, Jack Northern ANDERSON and Frederick G. BLUMENTHAL. According to Subject, FARRIS is a former State Department employee. FARRIS is not listed in the telephone book, but one Mrs. Opal FARRIS is listed at 3520 18th Street, S.E., telephone JOhnson 3-5886. This is mentioned because Subject shares, with his three associates, a secretary whose first name is Opal. ANDERSON and BLUMENTHAL are the Washington representatives of Parade magazine, but seem to be using the joint offices only occasionally. They have a separate telephone line, DIstrict 7-4325. BLUMENTHAL is a former Drew PEARSON leg-man, while ANDERSON, as mentioned above, still works for PEARSON. It appears that Subject, FARRIS, and the secretary may be the only ones who use the office daily and that ANDERSON and BLUMENTHAL generally use FARRIS' room when they are on the premises.

11. No future contact with Subject is contemplated.

CS 61-3384

Enclosure: Agreement between Putnik and William GOLDBERG

28 October 1955

SE/FI/Yugo
V.R. V.Radoulovitch/gtm

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